

Amend 2 Cal. Code Regs. Section 18540 as follows:

**18540. Voluntary Expenditure Ceilings.**

(a) For purposes of Government Code section 85400, campaign expenditures shall be allocated to primary, general, special, or runoff elections as follows:

(1) Expenditures related to mailing or distribution of campaign literature, signs, buttons, bumper stickers and similar items, shall be allocated to the next election following the date(s) on which the expenditures were made or, if the election is held on the date when the expenditures were made, to the election held on that date.

(2) Expenditures related to publications in broadcast, print or electronic media shall be allocated to the next election following the date(s) specified in the contract for broadcast, publication, or dissemination or, if the election is held on the date specified for publication, broadcast, or dissemination, to the election held on that date.

(3) Expenditures related to telephone banks, including costs of design and operation, costs of installing or renting telephone lines and equipment, toll charges, personnel costs, rental of office space, and associated consultants' fees, shall be allocated to the next election following the date(s) on which the expenditures were made or, if the election is held on the date when the expenditures were made, to the election held on that date.

(4) Expenditures on professional services, including fees and costs of campaign consultants and pollsters, shall be allocated to the next election following the date(s) on which the expenditures were made or, if the election is held on the date when the expenditure was made, to the election held on that date. In the event that a contract for professional services allocates specific fees and costs to particular elections, the terms of the contract will govern allocation of expenditures to each election. If a contract provides for a bonus payment should the

1 candidate win a particular election, the bonus payment is an expense of the election whose result  
2 triggers the payment obligation.

3 (5) Overhead expenditures, including expenditures related to the lease of office space,  
4 payments for utilities, rental or purchase of office equipment and furnishings, miscellaneous  
5 supplies, costs of internal copying and printing, monthly telephone charges, personnel costs, and  
6 candidate or staff travel expenses, shall be allocated to the next election following the date(s) on  
7 which the expenditures were made or, if the election is held on the date when the expenditures  
8 were made, to the election held on that date.

9 (6) Expenditures related to campaign fundraising shall be allocated to the election for  
10 which the funds were raised. If fundraising expenditures cannot be assigned in this manner to a  
11 particular election, fundraising expenditures shall be allocated to the next election following the  
12 date(s) on which the expenditures were made or, if the election is held on the date when the  
13 expense was incurred, to the election held on that date. Fundraising expenditures for the  
14 payment of debts under Government Code section 85316 shall not be counted against the  
15 voluntary expenditure ceilings established under Government Code section 85400.

16 (7) Unless there is a clear indication to the contrary, campaign expenditures not described  
17 in subdivisions (a)(1) through (a)(6) of this regulation shall be allocated to the next election  
18 following the date(s) on which the expenditures were made or, if the election is held on the date  
19 when the expenditure was made, to the election held on that date. Refunds of any expenditure on  
20 goods or services not provided to or used by the campaign shall be credited to the election for  
21 which the expenditure would otherwise have been allocated.

22 (8) The candidate shall maintain records establishing that his or her allocation of  
23 campaign expenditures under Government Code section 85400 was consistent with the

1 provisions of the Act and of this regulation.

2 (b) The allocation of expenditures under this regulation shall be reported pursuant to  
3 subdivision ~~(b)~~ (c) of 2 Cal. Code Regs. section 18421.4.

4 (c) A non-monetary contribution is deemed to be a campaign expenditure made by the  
5 receiving committee on the date of receipt, which counts against the voluntary expenditure limits  
6 prescribed by Government Code section 85400, if an expenditure for equivalent goods or  
7 services would have been a campaign expenditure described in subdivision (a) of this regulation.  
8 For purposes of Government Code section 85400, the amount of the expenditure shall be the fair  
9 market value of the contribution on the date of receipt.

10 (d) Expenditures not counted against the voluntary expenditure limits prescribed by  
11 Government Code section 85400 include, but are not limited to, contributions to other candidates  
12 or committees, costs associated with preparing and filing campaign finance reports required  
13 under the Act, candidate filing fees, and costs of ballot pamphlet statements.

14 NOTE: Authority cited: Section 83112, Government Code.  
15 Reference: Sections 82015, 85400 and 85402, Government Code.  
16